

FILE COPY

Office - Supreme Court, U.

FILED

MAR 11 1949

CHARLES ELMORE CHAPLEY
CLERK

Supreme Court of the United States

October Term 1948

No. 582

HAZELTINE RESEARCH, INC.,

Petitioner,

against

GENERAL MOTORS CORPORATION,

Respondent.

BRIEF FOR RESPONDENT

✓ DRURY W. COOPER,
✓ STEPHEN H. PHILBIN,
✓ C. BLAKE TOWNSEND,
Counsel to Respondent.



INDEX

	PAGE
Statement of Facts	1
Argument	8
1. The Petitioner Presents a False Issue	8
2. District Court's Disposition	11

Table of Cases

Detrola Radio & Television Corp. v. Hazeltine Corp., 313 U. S. 259.....(footnote)	5
Graver Tank Co. v. Linde Air Products Co., — U. S. — (Feb. 28, 1949)(footnote)	8
Hall Laboratories v. Economics Laboratory, 169 F. (2) 65, 67 (C. C. A. 8).....(footnote)	8
Muncie Gear Works, Inc., v. Outboard Company, 315 U. S. 759, 767-8	10
U. S. v. Gypsum Co., 333 U. S. 364, 394....(footnote)	8

12/12

Supreme Court of the United States

October Term 1948

No. 582

HAZELTINE RESEARCH, INC.,

Petitioner,

against

GENERAL MOTORS CORPORATION,

Respondent.

BRIEF FOR RESPONDENT

The Petitioner seeks a review only as to patent No. 1,951,685. The other patent, No. 2,041,273, is not presented. The petition does not set forth the underlying facts sufficiently.

Statement of Facts

The '685 patent is but one of seven patents which grew out of a single application filed in 1927, and which was the description, in essence, of a receiver which had been made by Wheeler, the patentee, late in 1925 or early 1926. It was a receiver for broadcast radio waves or signals, referred to in the findings as the Washington Receiver.

The trial Court made this finding (R. 1720), which is not attacked here, nor was it in the Court of Appeals:

"3. On July 7, 1927, Wheeler filed his application, serial number 203879, describing all of the features of his Washington Receiver. This application

was assigned to plaintiff's predecessor corporation. Under the guidance of skillful patent counsel, on the basis of this one application and divisions and continuations thereof, plaintiff's predecessor corporation secured the following seven patents, each containing numerous claims, all based upon the combination embodied in the Washington Receiver, viz:

<i>Patent No.</i>	<i>Issue Date</i>	<i>Title</i>
1,879,861	Sep. 27, 1932	Volume Control
1,879,862	Sep. 27, 1932	Volume Control
1,879,863	Sep. 27, 1932	Volume Control
*1,951,685	Mar. 20, 1934	Peak Detector
Re.19,744	Oct. 29, 1935	Volume Control
**2,041,273	May 19, 1936	Amplifier Volume Control
2,080,646	May 18, 1937	Visual Resonance Indicator

[* Here in suit.]

[** Here in suit (but not before this Court).]

"The claims of these various patents are couched in such language as to make it extremely difficult for the mere mechanic skilled in the art to determine where one patent begins and another leaves off.

"Figures 1 and 2 of the '685 patent in suit are substantially identical with their counterparts in the original application. The application of this '685 patent [the one here presented], serial number 526,857, was filed April 1, 1931, as a *continuation-in-part*¹ of the original application. The application for the '273 patent in suit was filed August 27, 1932, as a division of the original application. Figures 1, 2, 3 and 4 of the '273 patent are substantially identical with their counterparts in the original ap-

¹ In quoting from this finding, on page 17 of their brief, counsel for petitioner have omitted this sentence, which shows by the words "*continuation-in-part*" that the application had added to the disclosure of the original application.

plication. The accompanying descriptions in the specifications of both these patents are substantially identical with that appearing in the original application." (Italics in the foregoing, and throughout this brief, indicate our emphasis.)

The last sentence of the finding obviously refers only to the descriptions of the figures that are common to the original application, and not (as inferred by petitioner) to the *fifteen new* figures and 5 pages of description in the '685 patent all of which were first added in 1931 (R. 1116; 1163).

The *reissue* patent 19,744 was the one declared invalid by this Court as the result of litigation thus described by the trial Court in its findings, which are not attacked here (R. 1721):

"4. Originally, Wheeler claimed the principal novelty disclosed in his Washington Receiver was the automatic volume control covered by patent 1,879,863. This patent was involved in litigation in the District Court for the Eastern District of New York in 1934. See: *Hazeltine Corp. v. R. E. B. Service Corp.*, 8 F. S. 100. At that time Judge Campbell carefully reviewed the prior art, part of which is relied upon in the instant cases, and found that the patent was not a pioneer and was entitled to only a narrow range of equivalents, dismissing the complaint on the ground of non-infringement. In 1934, this patent was also carefully considered by Judge Galston in the Eastern District of New York. See: *Hazeltine Corp. v. Abrams*, 7 F. S. 908. He held all of the claims in suit void for want of invention. This decision was affirmed by the Second Circuit Court of Appeals in *Hazeltine Corp. v. Abrams*, 79 F. (2) 329.

"After the decision in the *Abrams* case, all of the claims in the patent there involved were disclaimed, and an application was filed for a reissue, which culminated in the Reissue Patent No. 19,744.

"Plaintiff's predecessor corporation brought suit in this district for infringement of this Reissue Patent No. 19,744 which was decided December 26, 1939, holding all claims in suit, 1-7 and 9-13, inclusive, valid and infringed. Claim 8 was not in suit. On appeal, the Sixth Circuit Court of Appeals affirmed. See: *Detrola Radio & Television Corp. v. Hazeltine Corp.*, 117 F. (2) 238. This decision was reversed by the Supreme Court in *Detrola Radio & Television Corp. v. Hazeltine Corp.*, 313 U. S. 259. After a full consideration of the prior art and a consideration of the opinions of the Second and Sixth Circuit Courts of Appeal, the Supreme Court, speaking through Mr. Justice Roberts, stated, on page 269;

'We conclude that Wheeler accomplished an old result by a *combination of means* which, singly or in similar combination, were disclosed by the prior art, and that notwithstanding the fact he was ignorant of the pending applications which antedated his claimed date of invention and eventuated into patents, he was not in fact the first inventor, since his advance over the prior art, if any, required only the exercise of the skill of the art.' "

The patent in issue here is for a "Peak Detector"; peak detection was not described as such, or claimed, in the original application of 1927. A "peak detector" is thus de-

fined in the "Glossary of Terms" and is not in dispute (R. 1689):

"Peak Detector. A detector in series with a condenser having a high-resistance leakage path, the arrangement being supplied with a sufficiently strong signal so that current flows through the detector only in the neighborhood of the peaks of one polarity. This process is *peak detection*."

The *reissue* patent, which was declared invalid by this Court, was for "automatic volume control". "Peak detection" involves the use of the same elements as are shown in the original application, but requires in addition that there shall be applied to the *diode* (the two-electrode tube common to the circuits of both applications) a sufficiently high (i.e. strong) signal. When that is done, *the peak detection effect is inevitably obtained*, and, as in the case of automatic volume control, by mere operation of the elements producing automatic control (R. 459-60; 1478).¹ To make a disclosure of "peak detection", the specification of the patent in suit added 15 figures of drawings not in the original application, and five pages of description of them and of the entire "peak detection" action.

In 1926 Wheeler, in endeavoring to commercialize his asserted automatic volume control invention, went to the

¹ In fact, "automatic volume control" (considered by this Court in *Detrola Radio & Television Corp. v. Hazeltine Corp.*, 313 C. S. 259) requires an element (a connection back to the amplifier grid) *not* required for peak detection. Thus the *latter* is only a part of the combination held non-inventive in the decision cited.

factory of the Stromberg Carlson Company in Rochester, New York, where he modified a then-standard Stromberg Carlson "Neutrodyne" receiver to incorporate in it automatic volume control (R. 190; 264-5). He says that that set incorporated also the invention of the patent here before the Court (R. 1468). This receiver was *described* by Wheeler to a meeting of engineers from the Independent Radio Manufacturers, a group of Hazeltine licensees (R. 190; 287-8). It was also *demonstrated* to two of them (R. 287-8; 1469-70). That receiver was never built commercially (R. 265). In the summer of 1927, Wheeler went to the factory of the Howard Radio Company in Chicago and there built a number of "Neutrodyne" receivers embodying the invention of the patent here before this Court (R. 1470-71), and some were sold (R. 1471). On November 2, 1927, before the Institute of Radio Engineers in New York, Wheeler orally delivered a paper reproduced at R. 1653. This was not only delivered orally but was *published in printed form* at that time (R. 274, 1470). It also described automatic volume control and gave the circuit of the Howard receiver, which was similar to Figure 1 of the patent in suit (R. 1470) and the circuit shown in the diagram is admitted to embody the *purported* invention of the patent in suit (R. 1470). This paper was published also in the Proceedings of the Institute of Radio Engineers in January 1928 (*id.*).

Thus there was a description and demonstration in mid-1926, a sale in mid-1927, a publication at the end of

1927, and a publication again in 1928. This the Court of Appeals held to constitute a statutory bar against the patent in suit, which was not applied for until April 1931.

The *District Court* held that there was not enough advance in the patent in suit over the prior art to amount to invention. Its finding was as follows (R. 1726):

“9. The advance over the prior art, if any, disclosed in two patents in suit is much less than was disclosed in the *Detrola* case. Applying the standard of invention established by that case in the radio field, it is obvious that all Wheeler did was to accomplish an old result by a combination of means which singly or in similar combination were disclosed by the prior art. None of the claims in suit of either patent discloses an advance over the prior art beyond that which could be accomplished by a mechanic skilled in the art. All of the claims in suit are void for want of invention.”

The *Court of Appeals* did not pass upon the issue of patentable invention but held that the prior publication and use was such as to invalidate the patent because its application was not filed until 1931.

ARGUMENT

1. The Issue Presented by Petitioner (Petition page 11) is a False Issue.

We have no quarrel with the statement of law as presented at page 11 of the brief for petitioner. Therefore we shall not discuss the many authorities invoked to support the proposition that where a District Court has made an express finding of fact, on uncontradicted evidence, it should be followed by the Court of Appeals¹. But the facts do not support the applicability here of the proposition advanced by our adversaries.

That is to say, it is quite true that the drawings of the original 1927 application, show parts which, when properly arranged and operated, gave rise to peak detection; but peak detection as such was not described as a part of that application nor was any claim made to it. Nowhere in the 1927 application (R. 1371) is there found *any* description of "peak detection", nor was *that* alleged invention ever attempted to be claimed until the continuation-in-part application, for the patent now before this Court, was filed in April of 1931. The entire description of "peak detection" was newly added at that date, as were also the claims

¹ The Court of Appeals, in its opinion on the second petition for rehearing, said, properly, that the point of its decision was a *question of law* (R. 1768). That of course is always open to review. *U. S. v. Gypsum Co.*, 333 U. S. 364, at p. 394. Even upon an issue of fact, a finding is 'clearly erroneous' when although there is evidence to support it, the reviewing Court on the entire evidence, is left with the firm conviction that a mistake has been committed (*id.* p. 395). See also *Hall Laboratories v. Economics Laboratory*, 169 F. (2) 65, 67 (C. C. A. 8). *Graver Tank Co. v. Linde Air Products Co.*, — U. S. — (Feb. 28, 1949).

attempting to cover that subject-matter,—all more than two years after a statutory bar. As the Court of Appeals found,

“The whole concept of peak detection was included for the first time upon the filing of the divisional application.” (R. 1752)

It added:

“These five pages of the specification are devoted to explaining the operation of the peak detector, and the information therein set forth is not, upon careful analysis, to be found in the original application.”

The plaintiff was not content with the Court's holding, and it filed an elaborate petition for rehearing which was denied without opinion, and thereupon it filed a renewed petition for rehearing, of which the Court of Appeals said (R. 1768):

“Its unusual vehemence, its inexplicable assertion that decision was based upon an issue of fact not presented by the parties but interjected into the case for the first time in the court's opinion, and its intemperate assertion that this ‘transcends the bounds of fair administration of justice’, compels a considered response.”

The Court thereupon restated its previous finding, as follows:

“Decision rested upon prior publication, use and sale beyond the permissible limits of the statute. The facts of publication, use and sale are not in controversy. Their legal effect upon the validity of the patent was and still is considered by us to raise

a *question of law*. The issue in this respect was fully argued by senior counsel for the appellee. * * * Our considered judgment was based upon a careful consideration of the disclosure of the original application, and *finding therein no description of the invention of the patent in suit* and adjudging the law to be that drawings alone are not sufficient to comply with the statutory imperative for full disclosure, we held the divisional patent invalid. Such was our matured judgment after full consideration of oral argument and briefs; such was our judgment upon consideration of the original petition for rehearing; such is still our judgment upon consideration of the renewed petition for rehearing; * * *."

The Court Below Was Right

That the Court was right as a matter of law, upon the uncontroverted facts, is evidenced by its citation of authority at the bottom of page 1751 of the Record, and also by the decision of this Court in *Muncie Gear Works, Inc. v. Outboard Company*, 315 U. S. 759, at pages 767-8. There was involved a patent for an outboard motor, which included an element known as an anti-cavitation plate, of which the Court said (p. 761):

"The single sheet of drawing accompanying the application *was not changed* during the prosecution of the application, and is the same as the drawing of the issued patent."

And at page 762, with respect to the changes made in the claims:

"The effect of those changes was aptly described by the patent examiner: 'The amendments have been

such that the claims *now* emphasize the anti-cavitation plate rather than the anti-torque plate.' With changes which are immaterial here, the new claims so offered became the claims in issue."

For the reason that the plaintiff had sold devices with the anti-cavitation plate in them more than two years before submitting the changed claims, this Court held the claims invalid, saying:

"We think the conclusion is inescapable that there was public use, or sale, of devices embodying the asserted invention, more than two years before it was first presented to the Patent Office." (315 U. S. at p. 768)

We submit that the Court below was right in its disposition of the issue.

2. The District Court's Disposition of the Case.

There seems to be an effort in the early part of the petition to raise the question of the District Court's correctness in disposing of the case on the ground that there was not sufficient advance in the art shown in the patent in suit to take it out of the rule laid down by this Court in the *Detrola* case. In this connection, our adversaries give what they say is, "an analysis of the findings of the District Court" (Petition, p. 3) and assert that that Court "concluded that, on the basis of such testimony, Petitioner 'had made out a pretty good case here'." It supports this assertion by extensive quotations from remarks of the trial Judge *before* the case was submitted (Petition pp. 4, 5), and at page 5 it is said:

“The inescapable conclusion from the foregoing *analysis* is that Petitioner had established the validity of the patents in suit to the independent satisfaction of the Trial Court.”

We think that petitioner makes an unfair and unjustified attack upon the Trial Court. The remarks that are quoted were, as we have said, made *before the case was submitted*. But immediately preceding the quotations in the footnotes, the following occurred in a statement by the Court (Judge Lederle) to plaintiff's counsel, Mr. Dodds (R. 874):

“I do not think it is the kind of a case we ought to try to finish this afternoon. I do not think I can do justice to myself, or justice to you to try and finish it this afternoon, and what I would prefer is have you come back here, and I am under the impression—I do not want to frighten you—but *I am under the impression that you [plaintiff] have a pretty tough row to hoe.*”

Then, after the petitioner's quotations from the colloquy between Court and counsel, the trial Judge said:

“Now, then, on the other hand we have the Supreme Court decision [referring to this Court's opinion in the Detrola case]. I don't know that either one of you have been very much help to me on the thing that is causing me some concern, and that is this: *What was there left in this machine after the Supreme Court got through with it?*” (R. 880)

“As I see it, I have quite a lot of work left to do here. I have got a transcript of everything, and I will get a transcript of your argument and go over that by myself.” (R. 881)

Petitioner's attempt to "estop" the Trial Judge from making whatever disposition his study should lead him to, is without proper basis. Throughout the course of the trial, the Judge dealt frankly and helpfully with counsel on both sides by constantly disclosing what was then in his mind (e.g. R. 878 top, 756 top, 874), and by giving counsel an opportunity in argument to meet whatever the Judge might feel to be a consideration against the position being advanced at the time. What actually occurred was that some time after the trial and argument and submission of briefs, the Court made up its own mind and finally disposed of the case upon a set of findings of fact, which are embodied in the record at pages 1719-27.

We submit that the petition should be denied.

March 11, 1949.

DRURY W. COOPER,
STEPHEN H. PHILBIN,
C. BLAKE TOWNSEND,
Counsel to Respondent.